

Ted A. Troutman  
Troutman Law Firm, P.C.  
5075 SW Griffith Dr., Ste 220  
Beaverton, OR 97005  
(503) 292-6788 TEL  
(503) 596-2371 FAX  
[tedtroutman@sbcglobal.net](mailto:tedtroutman@sbcglobal.net)  
Attorney for Debtor

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF OREGON

In Re:	)	
	)	Case No. 16-30477-rld11
DATA SYSTEMS, INC.	)	
	)	OBJECTION TO MOTION FOR RELIEF
Debtor in Possession.	)	FROM STAY (KREITZBERG CIRCUIT
	)	COURT)

Data Systems, Inc., the above-captioned Debtor and Debtor in Possession (the “Debtor”), by and through its attorney, Ted A. Troutman, objects to the relief sought by Richard A. Kreitzberg (“Kreitzberg”).

Kreitzberg has advised that he acquired his shares in Debtor in 1984. Since that time, Debtor’s president, William Holdner, has provided financial information to Plaintiff and Plaintiff’s broker, John Ballantyne as requested.

Debtor was de-listed in 1993 and quit holding shareholders meetings because of the cost, which William Holdner has estimated to be approximately \$20,000 per year. Since 1993 Kreitzberg has not raised any complaint regarding the operation of the company until just before filing the Circuit Court lawsuit in March of 2015, approximately 22 years later. During that period, Holdner and Baum’s management relationship with Debtor was conducted both openly and was easily discoverable by Kreitzberg.

In March of 2015, Holdner disclosed Debtor's intention to sell its property and in response Plaintiff became upset over his own tax exposure. Kreitzberg avoided the shareholder meeting but acquired enough proxies to block a quorum. At the same time Kreitzberg filed the Circuit Court lawsuit, which suddenly called into question the management practices that had been in place for years. In addition, Kreitzberg filed a Lis Pendens to prevent the sale of the building from happening.

Instead of attending the shareholders meeting, Kreitzberg avoided the meeting so there would not be a quorum. The lawsuit in Circuit Court sought to remove Holdner and Baum through the lawsuit because Kreitzberg knew that he could not do so through a shareholders meeting, which he actively blocked by soliciting proxies and refusing to attend the shareholders meeting, thereby denying Debtor a quorum of shareholders.

The basis for this objection is that this court can determine whether Data Systems is appropriately in bankruptcy and whether Holdner and Baum should continue managing the Debtor in Possession or whether a trustee should be appointed.

Debtor, in part, filed this bankruptcy to stop the bleeding of corporate funds as a result of the lawsuit filed by Kreitzberg, there is no reason to return to state court.

DATED: April 8, 2016

TROUTMAN LAW FIRM, P.C.

*/s/Ted A. Troutman*

---

Ted A. Troutman, OSB# 844470  
5075 SW Griffith Dr., Ste 220  
Beaverton, OR 97005  
(503) 292-6788 TEL  
(503) 596-2371 FAX  
tedtroutman@sbcglobal.net